UNITED STATES PATENT AND TRADEMARK OFFICE

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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *21 February 2008*.

2a)☐ This action is **FINAL**.　　　2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-11,13-18,20-34,37,38 and 46-56* is/are pending in the application.

　　4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-11,13-18,20-34,37,38 and 46-56* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

　　Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

　　Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

　　a)☐ All　b)☐ Some * c)☐ None of:

　　　1.☐ Certified copies of the priority documents have been received.

　　　2.☐ Certified copies of the priority documents have been received in Application No. _____.

　　　3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

　　* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☒ Information Disclosure Statement(s) (PTO/SB/08)
　　Paper No(s)/Mail Date *8/16/2002, 3/06/2003, 3/23/2004, 6/30/004, and 11/15/2004*.

4) ☐ Interview Summary (PTO-413)
　　Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____ .

U.S. Patent and Trademark Office

PTOL-326 (Rev. 08-06)　　　　　　　Office Action Summary　　　　　　　Part of Paper No./Mail Date 20080306

DETAILED ACTION

Priority

1.   Acknowledgement is made of applicant's claim for priority to Provisional

Application 60/236,713 filled on 10/02/2000 under 35 U.S.C. 119(e).

Information Disclosure Statement

2.   The information disclosure statements (IDS) submitted on 8/15/2005,

11/15/2004, 6/30/2004, 3/23/2004, 3/08/2004, 3/06/2003 and 8/16/2002 are being

considered by the examiner. Applicant is requested to limit the number of references in

submitted IDS that is relevant to this application.

Claim Rejections - 35 USC § 103

3.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set
> forth in section 102 of this title, if the differences between the subject matter sought to be patented and
> the prior art are such that the subject matter as a whole would have been obvious at the time the
> invention was made to a person having ordinary skill in the art to which said subject matter pertains.
> Patentability shall not be negatived by the manner in which the invention was made.

4.   Claim 1, 3-11, 13-18, 20, 22, 24-25, 27-34, 37-38, 46, 48-50 and 53-56 are

rejected under 35 U.S.C. 103(a) as being unpatentable by Erlanger et al. U.S. Patent

No. 6,594,635 (reference A in attached PTO-892) in view of Wu, U.S. Patent No.

7,200,570 (reference B in attached PTO-892) further in view of Boarman et al., U.S.

Patent No. 6,609,112 (reference C in attached PTO-892).

5.   As per claim 1, Erlanger et al. teach a method of selling reinsurance, comprising

the steps of:

identifying a reinsurance product (see column 20, lines 25-30; where reinsurers

identify reinsurance products, accepting whole or in part of risk associated with one or

more existing insurance contract and send the offer to data processing system 101);

determining a capacity of the reinsurance product to be sold (see Fig. 5; column

20, lines 37-46; where in step 316, data processing system 101 provides capacity of

reinsurance product to be sold in terms of dollar volume and price for certain portion of

the capacity of reinsurance);

accepting bids for at least a portion of the capacity (see Fig. 5; steps 313 -314),

wherein the step of accepting bids comprises providing a status for the bids, the status

comprising one of OK, Partial OK, and Excluded (see column 13, lines 45-50); and

Erlanger et al teach offering the reinsurance product for sale through bidding

(see Fig. 5).

Erlanger et al. do not teach sale of product (reinsurance) through auction and

ranking the bids, wherein the ranking of the bids at least considers a calculated

profitability value and a time stamp associated with each of the bids.

Wu teaches sale of product (reinsurance) through an auction and ranking the

bids, wherein the ranking of the bids at least considers a calculated profitability value

and a time stamp associated with each of the bids (see Fig. 2; column 2, lines 36-43;

column 3, lines 37-39; column 6, lines 36-43; where multiple attribute auction enables to

evaluate bids based on specific criteria and select the winning bid in the auction);

Therefore, it would be obvious to one of ordinary skill in the art at the time the

invention was made to allow sale of product (reinsurance) through an auction and

ranking the bids, wherein the ranking of the bids at least considers a calculated

profitability value and a time stamp associated with each of the bids of Erlanger et al.

because Wu teaches including above features would enable to buy and sell product and

services based on multiple characteristics (Wu, abstract, column 1, lines 6-10).

Erlanger et al. further teach consummating a contract for the sale of at least a

portion of the reinsurance product to holders of winning bids (see Fig. 5; column 21,

lines 1-11; where in step 319, data processing system 101 compile statistics on sale of

reinsurance in step 318 and consummate a portion of the reinsurance product to

holders of winning bids), wherein a status of OK denotes acceptance of a bid, a status

of Partial OK denotes only a portion of condition is met, and a status of Excluded

denotes that a bid has not been accepted (see column 13, lines 45-50).

Erlanger et al. <u>do not teach a status of Partial OK allows only a portion of</u>

<u>requested capacity will be filled</u>.

Boarman et al. teach partial filling of requested bid (Boarman et al, Fig. 3B, step

424; column 1, lines 43-59, column 2, lines 19-29).

Therefore, it would be obvious to one of ordinary skill in the art at the time the

invention was made to include partial filling of requested bid of Erlanger et al. because

Boarman et al. teach that including partial acceptance of bid allows the participant bid to

be automatically adjusted in accordance of minimum bid increment and participant

proxy value which do not required continuous monitoring of auction progress (Boarman et al, column 1, lines 25-29).

6.   As per claim 3, Erlanger et al. in view of Wu further in view of Boarman et al. teach claim 1 as described above.

Erlanger et al. in view of Wu further teach the method, wherein

the auction comprises an on-line auction (Erlanger et al., Fig. 5, step 313; column 8, lines 39-45; where plurality of reinsurers bid for a portion of capacity of reinsurance in the internet).

7.   As per claim 4, Erlanger et al. in view of Wu further in view of Boarman et al. teach claim 3 as described above.

Erlanger et al. in view of Wu further teach the method, wherein

the auction employs the Internet (Erlanger et al., column 8, lines 39-46; where data network is accessible through Internet).

8.   As per claim 5, Erlanger et al. in view of Wu further in view of Boarman et al. teach claim 3 as described above.

Erlanger et al. in view of Wu further teach the method, wherein

the auction is presented via a browser (Erlanger et al., column 8, lines 45-46; where data processing system is accessible via World Wide Web presenting auction via web browser).

9.   As per claim 6, Erlanger et al. in view of Wu further in view of Boarman et al. teach claim 1 as described above.

Erlanger et al. in view of Wu further teach the method comprising:

accepting bids from at least one of direct insurers and brokers (Erlanger et al.,

Fig. 1; where bids are accepted from direct insurers and brokers (insurance agent) who

has access to data processing system through the Internet).

10.   As per claim 7, Erlanger et al. in view of Wu further in view of Boarman et al.

teach claim 1 as described above.

Erlanger et al. in view of Wu further teach the method, wherein bids comprise:

at least a bid amount and an indication of the amount of desired capacity

(Erlanger et al., Fig. 5; column 20, lines 8-16; where in step 313, data processing

system 101 receives a bid price to buy reinsurance from plurality of reinsurers; bids

includes information such as premium to assume 10% of the liability in a pool of 100

flood insurance policies, dollar amount for a reinsurance product).

11.   As per claim 8, Erlanger et al. in view of Wu further in view of Boarman et al.

teach claim 1 as described above. Erlanger et al. does not teach the calculated

profitability value associated with each of the bids is calculated based a return on sales.

Wu teaches the calculated profitability value associated with each of the bids is

calculated based a return on sales (see column 6, lines 22-26; 37-43).

Therefore, it would be obvious to one of ordinary skill in the art at the time the

invention was made to include the calculated profitability value associated with each of

the bids is calculated based a return on sales of Erlanger et al. because Wu teaches

including above features would enable to evaluate bids according to this criteria that are

functions of these attributes in order to determine the winning bid(s) (Wu, column 2,

lines 41-43).

12.   As per claim 9, Erlanger et al. in view of Wu further in view of Boarman et al.

claim 8 as described above.

Erlanger et al. do not teach the return on sales ratio is a selling price minus a fair

risk price divided by the selling price or the selling price divided by the fair risk price.

Wu defines profit evaluation as selling price minus default configuration cost and

the extra cost of upgrade cost (see column 6, lines 22-28; where profitability of each

bids are calculated based on selling price, installation and upgrade cost and assembly;

Examiner notes the specification of this application in page 18, paragraph [0065]

specifies "there is no set or preferred profitability calculation")

Therefore, it would be obvious to one of ordinary skill in the art at the time the

invention was made to include the return on sales ratio is a selling price minus a fair risk

price divided by the selling price or the selling price divided by the fair risk price of

Erlanger et al. because Wu teaches including above features would enable to calculate

profitability value for profit evaluation (Wu, column 6, lines 22-28).

13.   As per claim 10, Erlanger et al. in view of Wu further in view of Boarman et al.

claim 8 as described above.

Erlanger et al. in view of Wu further teach the method, wherein

changing a status of at least one bid (Erlanger et al., Fig. 5, step 317-318;

column 20, lines 1-4; where reinsurance bids and offers are compared and selected;

Examiner interprets that ranking of bid could moved up and down depending upon bid

price of reinsuree; modification of bid price may move second bid to upper rank than the

first one which may required to change status of first bid from OK to one of Partial OK

and Excluded, based on ranking of second bid).

14.   As per claim 11, Erlanger et al. in view of Wu further in view of Boarman et al.

claim 10 as described above.

Erlanger et al. further teach the method, wherein

the status is one of OK, Partial OK and Excluded (see column 13, lines 45-50;

where status is OK (satisfactory). Partial satisfactory (Partial OK) and Excluded

(unsatisfactory).

15.   As per claim 13, Erlanger et al. teach a method of offering a reinsurance product,

comprising the steps of:

offering a predetermined capacity in the reinsurance product over an electronic

network (see Fig. 5; column 20, lines 37-46; where in step 316, data processing system

101 provides capacity of reinsurance product to be sold in terms of total dollar volume

and price for certain portion of the capacity of reinsurance); and

receiving, from a bidder, at least one bid for at least a portion of the capacity (see

Fig. 5; steps 313 -314; column 19, lines 58-64).

wherein the step of indicating to the bidder whether the at least one bid is

accepted comprises providing a status for the at least one bid, the status comprising

one of OK, Partial OK, Excluded, wherein a status of OK denotes acceptance of a bid, a

status of Partial OK denotes only a portion of condition is met, and a status of Excluded

denotes that a bid has not been accepted (see column 13, lines 45-50).

Erlanger et al. <u>do not teach determining whether a calculated profitability value of</u> <u>the at least one bid is acceptable and indicating to the bidder whether the at least one</u> <u>bid is accepted based at least on the calculated profitability value.</u>

Wu teaches determining whether a calculated profitability value of the at least one bid is acceptable and indicating to the bidder whether the at least one bid is accepted based at least on the calculated profitability value (see column 6, lines 43-51).

Therefore, it would be obvious to one of ordinary skill in the art at the time the invention was made to include determining whether a calculated profitability value of the at least one bid is acceptable and indicating to the bidder whether the at least one bid is accepted based at least on the calculated profitability value of Erlanger et al. because Wu teaches including above features would enable to evaluate bids according to this criteria that are functions of these attributes in order to determine the winning bid(s) (Wu, column 2, lines 41-43).

Erlanger et al. <u>do not teach a status of Partial OK allows only a portion of</u> <u>requested capacity will be filled.</u>

Boarman et al. teach partial filling of requested bid (Boarman et al, Fig. 3B, step 424; column 1, lines 43-59, column 2, lines 19-29).

Therefore, it would be obvious to one of ordinary skill in the art at the time the invention was made to include partial filling of requested bid of Erlanger et al. because Boarman et al. teach that including partial acceptance of bid allows the participant bid to be automatically adjusted in accordance of minimum bid increment and participant

proxy value which do not required continuous monitoring of auction progress (Boarman et al, column 1, lines 25-29).

16.   As per claim 14, Erlanger et al. in view of Wu further in view of Boarman et al. teach claim 13 as described above. Erlanger et al. further teach the method, wherein

the electronic network comprises the Internet (see column 8, lines 39-46; where data network is accessible through Internet).

17.   As per claim 15, Erlanger et al. in view of Wu further in view of Boarman et al. teach claim 13 as described above. Erlanger et al. further teach the method comprising

ranking the at least one bid with respect to other bids (see Fig. 5, Steps 317-318; where bids to buy reinsurance to offer to sell insurance are compared and displayed list of reinsurers and reinsurees; Examiner interprets that it is required to rank the bids for given underwriting statistics in order to select the best from the list).

18.   As per claim 16, Erlanger et al. in view of Wu further in view of Boarman et al. teach claim 15 as described above. Erlanger et al. further teach the method, wherein

Erlanger et al. do not teach the ranking is based, at least in part, on the calculated profitability value.

Wu teaches the ranking is based, at least in part, on the calculated profitability value (see column 6, lines 37-48).

Therefore, it would be obvious to one of ordinary skill in the art at the time the invention was made to include the ranking is based, at least in part, on the calculated profitability value of Erlanger et al. because Wu teaches including above features would

enable to evaluate bids according to this criteria to determine the winning bid(s) (Wu, column 2, lines 41-43).

19.   As per claim 17, Erlanger et al. in view of Wu further in view of Boarman et al. teach claim 16 as described above. Erlanger et al. further teach the method, wherein

the ranking is based, at least in part, on a time at which the at least one bid is received (see column 15, lines 40-45; where if there two or more insurance solicitation satisfies two or more underwriting standards from different insurers, they are prioritized by chronological order they are received).

20.   As per claim 18, Erlanger et al. in view of Wu further in view of Boarman et al. teach claim 13 as described above. Erlanger et al. further teach the method, wherein

the calculated profitability value is based, at least in part, on a requested inception date and a return on sales ratio (see column 6, lines 22-26; 37-43; where profitability of each bids are calculated based on selling price, installation and upgrade cost and risk associated with the product; Examiner notes the specification of this application in page 18, paragraph [0065] specifies "there is no set or preferred profitability calculation").

Therefore, it would be obvious to one of ordinary skill in the art at the time the invention was made to include the calculated profitability value is based, at least in part, on a requested inception date and a return on sales ratio of Erlanger et al. because Wu teaches including above features would enable to evaluate bids according to this criteria that are functions of these attributes in order to determine the winning bid(s) (Wu, column 2, lines 41-43).

21.   As per claim 20, Erlanger et al. in view of Wu further in view of Boarman et al.

teach claim 13 as described above.

Erlanger et al. <u>do not teach the method comprising generating an auction ranking</u>

<u>element for the at least one bid</u>.

Wu teach the method comprising generating an auction ranking element for the

at least one bid (see column 6, lines 37-43)

Therefore, it would be prima facie obvious to one of ordinary skill in the art at the

time the invention was made to generating an auction ranking element for the at least

one bid of Erlanger et al. because Wu teach to evaluate bids according to this criteria

that are functions of these attributes in order to determine the winning bid(s) (Wu,

column 2, lines 41-43).

22.   As per claim 22, Erlanger et al. in view of Wu further in view of Boarman et al.

teach claim 13 as described above.

Erlanger et al. <u>do not teach the method comprising receiving a modified bid in</u>

<u>response to the step of indicating whether the at least one bid is accepted</u>

Wu teach the method comprising receiving a modified bid in response to the step

of indicating whether the at least one bid is accepted (see Fig. 2; column 6, lines 48-51).

23.   As per claim 24, Erlanger et al. in view of Wu further in view of Boarman et al.

teach claim 13 as described above. Erlanger et al. further teach the method comprising

calculating a minimum acceptable bid (see Fig. 5; column 20, lines 34-36;

column 20, lines 43-45; where offer to sell price or fair risk price is calculated based on

statistics received by reinsurer in step 312; data processing system compile statistics

for offer to sell reinsurance that consists lowest price offered for such as 20 % of liability

for a pool of 400 flood policies).

Therefore, it would be prima facie obvious to one of ordinary skill in the art at the

time the invention was made to allow receiving a modified bid in response to the step of

indicating whether the at least one bid is accepted of Erlanger et al. because Growney

et al. teach that receiving a modified bid in response to the step of indicating whether

the at least one bid is accepted would allow goods and services are frequently given to

the highest bidders so as to provide the seller with the most profit (Growney et al.,

column 1, lines 27-29).

24.   As per claim 25, Erlanger et al. teach a method of selling reinsurance, comprising

the steps of:

identifying a reinsurance product (see column 20, lines 25-30; where reinsurers

identify reinsurance products, accepting whole or in part of risk associated with one or

more existing insurance contract and send the offer to data processing system 101);

Identifying a capacity of the reinsurance product to be sold (see column 20, lines

28-30, 37-41; where data processing system compile statistics containing information

about total dollar volume amount all insurance to be sold, whether whole or partial of

risk associated with one or more existing insurance contracts);

calculating a fair risk price for the reinsurance product (see Fig. 5; column 20,

lines 34-36; where offer to sell price or fair risk price is calculated based on statistics

received by reinsurer in step 312); and

Erlanger et al teach offering the reinsurance product to buyers via through

bidding (see Fig. 5).

Erlanger et al. do not teach offer of product (reinsurance) through electronic

auction.

wherein a minimum bid in the electronic auction is determined, at least in part, by

the fair risk price (see column 20, lines 34-35, 43-45; where data processing system

compile statistics that enable reinsurer to calculate lowest price for offer to sell which is

minimum bid price acceptable for reinsurer);

receiving bids from the buyers for portions of the capacity of the reinsurance

product ((see Fig. 5; steps 313 -314; column 19, lines 58-64);

notifying the buyers of a status of their respective bids; and ending the electronic

auction after a predetermined period of time (Growney et al., Fig. 11A, step A10;

column 10, lines 51-55), wherein the status comprises one of OK, Partial OK, and

Excluded, wherein acceptance of a bid denotes acceptance of a bid, a status of Partial

OK denotes only a portion of condition is met, and a status of Excluded denotes that a

bid has not been accepted (see column 13, lines 45-50).

Erlanger et al. do not teach sale of product (reinsurance) through auction and

ranking the bids, wherein the ranking of the bids at least considers a calculated

profitability value and a time stamp associated with each of the bids.

Wu teaches sale of product (reinsurance) through an auction and ranking the

bids, wherein the ranking of the bids at least considers a calculated profitability value

and a time stamp associated with each of the bids (see Fig. 2; column 2, lines 36-43;

column 3, lines 37-39; column 6, lines 36-43; where multiple attribute auction enables to

evaluate bids based on specific criteria and select the winning bid in the auction);

Therefore, it would be obvious to one of ordinary skill in the art at the time the

invention was made to allow sale of product (reinsurance) through an auction and

ranking the bids, wherein the ranking of the bids at least considers a calculated

profitability value and a time stamp associated with each of the bids of Erlanger et al.

because Wu teaches including above features would enable to buy and sell product and

services based on multiple characteristics (Wu, abstract, column 1, lines 6-10).

Erlanger et al. do not teach a status of Partial OK allows only a portion of

requested capacity will be filled.

Boarman et al. teach partial filling of requested bid (Boarman et al, Fig. 3B, step

424; column 1, lines 43-59, column 2, lines 19-29).

Therefore, it would be obvious to one of ordinary skill in the art at the time the

invention was made to include partial filling of requested bid of Erlanger et al. because

Boarman et al. teach that including partial acceptance of bid allows the participant bid to

be automatically adjusted in accordance of minimum bid increment and participant

proxy value which do not required continuous monitoring of auction progress (Boarman

et al, column 1, lines 25-29).

25.   As per claim 27, Erlanger et al. in view of Wu further in view of Boarman et al.

teach claim 25 as described above.

Erlanger et al. in vie of Wu further teach the method, wherein

the fair risk price is calculated based on historical data (Erlanger et al., Fig. 5; column 20, lines 34-36; where offer to sell price or fair risk price is calculated based on statistics (historical data) compiled by Data processing system 101).

26.   As per claim 28, Erlanger et al. in view of Wu further in view of Boarman et al. teach claim 25 as described above.

Erlanger et al. in view of Wu further teach the method, wherein

the electronic auction is offered via the Internet (see column 8, lines 39-46; where data network is accessible through Internet).

27.   As per claim 29, Erlanger et al. in view of Wu further in view of Boarman et al. teach claim 28 as described above.

Erlanger et al. in view of Wu further teach the method, wherein

the electronic auction is offered via a web browser (Erlanger et al., column 8, lines 45-46; where data processing system is accessible via World Wide Web whereby presenting auction via web browser).

28.   As per claim 30, Erlanger et al. in view of Wu further in view of Boarman et al. teach claim 25 as described above.

Erlanger et al. in view of Wu further teach the method, wherein

the buyers comprise at least one of direct insurers and insurance brokers (Erlanger et al., Fig. 1)

29.   As per claim 31, Erlanger et al. in view of Wu further in view of Boarman et al. teach claim 25 as described above.

Erlanger et al. in view of Wu further teach the method, wherein

bids comprise a plurality of parameters (Erlanger et al., column 19, lines 58-67; column 20, lines 8-17; where bids comprises bid price, dollar volume of insurance, risk capacity, types of reinsurance etc.).

30.   As per claim 32, Erlanger et al. in view of Wu further in view of Boarman et al. teach claim 31 as described above.

Erlanger et al. in view of Wu further teach the method, wherein

the parameters comprise at least one of price, inception date and a deductible (Erlanger et al., column 19, lines 58-60; where bid to buy reinsurance include bid price).

31.   As per claim 33, Erlanger et al. in view of Wu further in view of Boarman et al. teach claim 25 as described above. Claim 33 is rejected under same rational as claim 8 as described above.

32.   As per claim 34, Erlanger et al. in view of Wu further in view of Boarman et al. teach claim 33 as described above. Claim 34 is rejected under same rational as claim 9 as described above.

33.   As per claim 37, Erlanger et al. in view of Wu teach claim 25 as described above.

Erlanger et al. in view of Wu further teach the method comprising

changing the status of a first bid from OK to one of Partial OK and Excluded, based on a ranking of a second bid (Erlanger et al., Fig. 5, step 317-318; column 20, lines 1-4; where reinsurance bids and offers are compared and selected; Examiner interprets that ranking of bid could moved up and down depending upon bid price of reinsuree; modification of bid price may move second bid to upper rank than the first

one which may required to change status of first bid from OK to one of Partial OK and

Excluded, based on ranking of second bid).

34.   As per claim 38, Erlanger et al. in view of Wu further in view of Boarman et al.

teach claim 25 as described above.

Erlanger et al. in view of Wu further teach the method comprising

consummating a reinsurance contract between an operator of the electronic

auction and a buyer having a winning bid (Erlanger et al., Fig. 5; column 21, lines 1-11;

where in step 319, data processing system 101 compile statistics on sale of

reinsurance in step 318 and consummate capacity of the winning bid).

35.   As per claim 46, Erlanger teach a system for selling a reinsurance product,

comprising:

a fair risk price calculator (see Fig. 5; column 20, lines 34-36; where data

processing system 101, calculates offer to sell price or fair risk price based on statistics

received by the reinsurer in step 312);

a web server in communication with the Internet (see Fig. 2; where computer

201 in data processing system communicate with reinsurers and reinsuree via Internet

and telephone network), wherein

the fair risk price calculator provides information for calculating minimum bid (see

column 20, lines 34-36, the database stores information related to at least one auction

for at least one reinsurance product), and the auction ranking element engine is

operable to rank bids submitted to the database via the web server(see Fig. 2); and

Erlanger et al. <u>do not teach an auction and auction participant database and an</u>

<u>auction ranking element engine, wherein the ranking of the bids at least considers a</u>

<u>calculated profitability value and a time stamp associated with each of the bids</u>.

Wu teaches teach an auction and auction participant database and an auction

ranking element engine, wherein the ranking of the bids at least considers a calculated

profitability value and a time stamp associated with each of the bids (see Fig. 2; column

2, lines 36-43; column 3, lines 37-39; column 6, lines 36-43; where multiple attribute

auction enables to evaluate bids based on specific criteria and select the winning bid in

the auction);

Therefore, it would be obvious to one of ordinary skill in the art at the time the

invention was made to include an auction and auction participant database and an

auction ranking element engine, wherein the ranking of the bids at least considers a

calculated profitability value and a time stamp associated with each of the bids of

Erlanger et al. because Wu teaches including above features would enable to buy and

sell product and services based on multiple characteristics (Wu, abstract, column 1,

lines 6-10).

Erlanger et al. further teach bidding and bidding participant database (see Fig. 2),

wherein a status of OK denotes acceptance of a bid, a status of Partial OK denotes only

a portion of condition is met, and a status of Excluded denotes that a bid has not been

accepted (see column 13, lines 45-50).

Erlanger et al. <u>do not teach a status of Partial OK allows only a portion of</u>

<u>requested capacity will be filled</u>.

Boarman et al. teach partial filling of requested bid (Boarman et al, Fig. 3B, step 424; column 1, lines 43-59, column 2, lines 19-29).

Therefore, it would be obvious to one of ordinary skill in the art at the time the invention was made to include partial filling of requested bid of Erlanger et al. because Boarman et al. teach that including partial acceptance of bid allows the participant bid to be automatically adjusted in accordance of minimum bid increment and participant proxy value which do not required continuous monitoring of auction progress (Boarman et al, column 1, lines 25-29).

36.   As per claim 48, Erlanger et al. in view Wu further in view of Boarman et al., teach claim 46 as described above. Claim 48 is rejected under same rational as claim 8 as described above.

37.   As per claim 49, Erlanger et al. in view of Wu further in view of Boarman et al. teach claim 46 as described above.

Erlanger et al. in view of Wu further teach the system, wherein

direct insurers submit bids to the web server (Erlanger et al., Fig. 1; Fig. 2; where direct insurers (102-1->102-i) submits bid to data processing system 101 via web server (201)).

38.   As per claim 50, Erlanger et al. in view of Wu further in view of Boarman et al. teach claim 46 as described above.

Erlanger et al. in view of Wu further teach the system, wherein

a submitted bid comprises a bid amount and a desired coverage amount (Erlanger et al., column 19, lines 58-64) .

39.   As per claim 53, Erlanger et al. in view of Wu further in view of Boarman et al.

teach claim 46 as described above.

        Erlanger et al. further teach the system, wherein

        the direct insurers participate as bidders for the reinsurance product (see Fig. 1;

Fig. 2).

40.   As per claim 54, Erlanger et al. teach a method of selling a product, comprising

the steps of:

        (a) identifying the product (see column 20, lines 25-30; where reinsurers identify

reinsurance products, accepting whole or in part of risk associated with one or more

existing insurance contract and send the offer to data processing system 101);

        (b) determining a capacity of the product to be sold (see column 20, lines 28-30,

37-41; where data processing system compile statistics containing information about

total dollar volume amount all insurance to be sold, whether whole or partial of risk

associated with one or more existing insurance contracts);

        (d) accepting bids for at least a portion of the capacity (see Fig. 5, step 313;

where data processing system accepts bids from reinsuree at a bid price for transferring

in whole or in part, of the risk associated with one or more existing insurance contract to

reinsurer, wherein the step of accepting bids comprises providing a status for the bids,

the status comprising one of OK, Partial OK and Excluded (see column 13, lines 45-50);

and

Erlanger et al. <u>do not teach offering the product for sale through auction, and</u>

<u>ranking the bids, wherein the ranking of the bids at least considers a calculated</u>

<u>profitability value and a time stamp associated with each of the bids</u>.

Wu teaches offering the product for sale through auction, and ranking the bids,

wherein the ranking of the bids at least considers a calculated profitability value and a

time stamp associated with each of the bids (see Fig. 2; column 2, lines 36-43; column

3, lines 37-39; column 6, lines 36-43; where multiple attribute auction enables to

evaluate bids based on specific criteria and select the winning bid in the auction);

Therefore, it would be obvious to one of ordinary skill in the art at the time the

invention was made to include offering the product for sale through auction, and ranking

the bids, wherein the ranking of the bids at least considers a calculated profitability

value and a time stamp associated with each of the bids of Erlanger et al. because Wu

teaches including above features would enable to buy and sell product and services

based on multiple characteristics (Wu, abstract, column 1, lines 6-10).

(e) consummating a contract for the sale of at least a portion of the product to

holders of winning bids (see Fig. 5; column 21, lines 1-11; where in step 319, data

processing system 101 compile statistics on sale of reinsurance in step 318 and

consummate a portion of the product to holders of winning bids), wherein a status of OK

denotes acceptance of a bid, a status of Partial OK denotes only a portion of condition

is met, and a status of Excluded denotes that a bid has not been accepted (see column

13, lines 45-50).

Erlanger et al. <u>do not teach a status of Partial OK allows only a portion of</u>

<u>requested capacity will be filled</u>.

Boarman et al. teach partial filling of requested bid (Boarman et al., Fig. 3B, step

424; column 1, lines 43-59, column 2, lines 19-29).

Therefore, it would be obvious to one of ordinary skill in the art at the time the

invention was made to include partial filling of requested bid of Erlanger et al. because

Boarman et al. teach that including partial acceptance of bid allows the participant bid to

be automatically adjusted in accordance of minimum bid increment and participant

proxy value which do not required continuous monitoring of auction progress (Boarman

et al, column 1, lines 25-29).

41.   As per claim 55, Erlanger et al. in view of Wu further in view of Boarman et al.

teach claim 54 as described above.

Erlanger et al. further teach the method, wherein

the product is a reinsurance product (see column 20, lines 25-30).

42.   As per claim 56, Erlanger et al. in view of Wu further in view of Boarman et al.

teach claim 54 as described above.

Erlanger et al. further teach the method, wherein

the product is a risk shifting product (see column 20, lines 27-31).

43.   Claim 2, 21, 26, 47, 51 and 52 are rejected under 35 U.S.C. 103(a) as being

unpatentable by Erlanger et al. U.S. Patent No. 6,594,635 (reference A in attached

PTO-892) in view of Wu, U.S. Patent No. 7,200,570 (reference B in attached PTO-892)

further in view of Klaus, U.S. Patent No. 7,080,020 (reference D in attached PTO-892).

44.   As per claim 2, Erlanger et al. in view of Wu teach claim 1 as described above.

        Erlanger et al. in view of Wu does not teach the method wherein the reinsurance

product is at least one of earthquake reinsurance, windstorm reinsurance and marine

catastrophe reinsurance.

        Klaus teaches the method wherein the reinsurance product is at least one of

earthquake reinsurance, windstorm reinsurance and marine catastrophe reinsurance

(see Fig. 3; column 2, lines 34-36, 48-50; where reinsurance product includes

windstorm (hurricane) and marine).

        Therefore, it would be prima facie obvious to one of ordinary skill in the art at the

time the invention was made to include method wherein the reinsurance product is at

least one of earthquake reinsurance, windstorm reinsurance and marine catastrophe

reinsurance of Erlanger et al. in view of Wu because Klaus teaches inclusion of such

high risk insurance would spread risk among multiple carriers, each covering a portion

of the total risk (Klaus, column 2, lines 50-53).

45.   As per claim 21, Erlanger et al. claim 13 as described above.

        Erlanger et al. in view of Wu does not teach the method, wherein communication

via the electronic network is secure.

        Klaus teach the method wherein communication via the electronic network is

secure (see column 4, lines 5-7).

Therefore, it would be prima facie obvious to one of ordinary skill in the art at the time the invention was made to allow the method wherein communication via the electronic network is secure of Erlanger et al. in view of Wu because Klaus teach that allowing the method wherein communication via the electronic network is secure would enable bid or proposal of specific cedent are viewable by that cedent only (Kalus, column 4, lines 3-4).

46.   As per claim 26, Erlanger et al. in view of Wu teach claim 25 as described above.

Erlanger et al. in view of Wu does not teach the method wherein the reinsurance product comprises at least one of earthquake reinsurance, windstorm reinsurance and marine catastrophe reinsurance.

Klaus teaches the method wherein the reinsurance product is at least one of earthquake reinsurance, windstorm reinsurance and marine catastrophe reinsurance (see Fig. 3; column 2, lines 34-36, 48-50; where reinsurance product include windstorm (hurricane) and marine).

Therefore, it would be prima facie obvious to one of ordinary skill in the art at the time the invention was made to include method wherein the reinsurance product is at least one of earthquake reinsurance, windstorm reinsurance and marine catastrophe reinsurance of Erlanger et al. in view of Wu because Klaus including in such high risk insurance would spread risk among multiple carrier, each covering a portion of the total risk (Klaus, column 2, lines 50-53).

47.   As per claim 47, Erlanger et al. in view of Wu teach claim 46 as described above.

Erlanger et al. in view of Wu does not teach the method wherein the reinsurance product is at least one of earthquake reinsurance, windstorm reinsurance and marine catastrophe reinsurance.

Klaus teaches the method wherein the reinsurance product is at least one of earthquake reinsurance, windstorm reinsurance and marine catastrophe reinsurance (see Fig. 3; column 2, lines 34-36, 48-50; where reinsurance product include windstorm (hurricane) and marine).

Therefore, it would be prima facie obvious to one of ordinary skill in the art at the time the invention was made to include method wherein the reinsurance product is at least one of earthquake reinsurance, windstorm reinsurance and marine catastrophe reinsurance of Erlanger et al. in view of Wu because Klaus teaches inclusion of in such high risk insurance would spread among multiple carriers, each covering a portion of the total risk (Klaus, column 2, lines 50-53).

48.   As per claim 51, Erlanger et al. in view of Wu teach claim 50 as described above.

Erlanger et al. in view of Wu does not teach the system, wherein the auction ranking element engine determines whether the sufficient capacity remains to satisfy the desired coverage amount.

Klaus teaches the system that determines whether the sufficient capacity remains to satisfy the desired coverage amount (see column 11, lines 44-67).

Therefore, it would be prima facie obvious to one of ordinary skill in the art at the time the invention was made to include the system that determines whether the sufficient capacity remains to satisfy the desired coverage amount of Erlanger et al.

because Klaus teaches that including system that determines whether the sufficient

capacity remains to satisfy the desired coverage amount would enable to withdraw any

proposal or bid whose acceptance would reduce the available capacity below selected

amount which is generally zero (Klaus, column 11, lines 53-57).

49.   As per claim 52, Erlanger et al. in view of Wu teach claim 46 as described above.

Erlanger et al. in view of Wu further teach the system, wherein system provides

efficient market for reinsurer and reinsure , is operated by those parties who patronize it

by using the system (see column 3, lines 11-15).

Erlanger et al. in view of Wu does not teach the system, wherein the system is

operated by or on behalf of a reinsurance company.

Klaus teaches the system is operated by or on behalf of a reinsurance company

(see column 6, lines 1-3).

Klaus teach the system is assembled, operated, maintained and connected to

Internet by and under the authority of reinsurer (see column 6, lines 1-3; where

reinsurer assemble, operate and maintain the system)

Therefore, it would be prima facie obvious to one of ordinary skill in the art at the

time the invention was made to include the system is operated by or on behalf of a

reinsurance company of Erlanger et al. in view of Wu because Klaus teaches including

the system is operated by or on behalf of a reinsurance company enable reinsurer have

authority in the system (Klaus, column 6, lines 1-3).

50.   Claim 23 is rejected under 35 U.S.C. 103(a) as being unpatentable by Erlanger

et al. U.S. Patent No. 6,594,635 (reference A in attached PTO-892) in view of Wu, U.S.

Patent No. 7,200,570 (reference B in attached PTO-892) further in view of Klaus, U.S.

Patent No. 7,080,020 (reference D in attached PTO-892) and further in view of Growney

et al., U.S. Patent No. 7,062,460 (reference E in attached PTO-892).

51.   As per claim 23, Erlanger et al. in view of Wu teach claim 22 as described above.

        Erlanger in view of Wu <u>does not teach the method comprising modifying a</u>

<u>parameter of the at least one bid other than a bid price</u>

        Klaus teaches the method comprising modifying a parameter of the at least one

bid other than a bid price (see Fig. 5; column 8, lines 23-32; where Original Loss

amount(OLW), Limit Upfront, Rate on Line(ROL) etc. are other parameters that can be

modified other than the bid price).

        Therefore, it would be prima facie obvious to one of ordinary skill in the art at the

time the invention was made to allow modifying a parameter of the at least one bid other

than a bid price of Erlanger et al. in view of Wu et al. because Growney et al. teach that

modifying a parameter of the at least one bid other than a bid price would allow modify

bid to counter bid the other bidders (Growney et al., column 1, lines 35-38).

                                        Conclusion

52.   The prior art made of record and not relied upon is considered pertinent to

applicant's disclosures. The following are pertinent to current invention, though not

relied upon:

Carlton-Foss (U.S. Patent No. 6,647,373) teaches method and system for processing and transmitting electronic reverse auction information.

Chambers et al. (U. S. Pub No. 2005/0055299) teach system and method for facilitating a request for proposal process using auction.

Keyes et al. (U.S. Patent No. 7,165,043) teach valuation prediction models in situation with missing inputs.

Kinney, Jr. et al. (U.S. Patent No. 6,871,191) teach method and system for partial quantity evaluated rank bidding in online auctions.

Kinney, Jr. et al. (U.S. Patent No. 7,010,511) teach method and system for conducting electronic auction with net present value bidding.

Laurenzano, Vincent L. (U.S. Pub No. 2002/0046066) teaches reinsurance and risk management method.

McCormick et al. (U.S. Patent No. 6,049, 773) teach automated method for identification of reinsurance claims.

Sweeney et al. (U.S. Pub No. 2002/0032646) teach system and method of automated brokerage for risk management services and products.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Bijendra K. Shrestha whose telephone number is (571) 270-1374. The examiner can normally be reached on 7:00 AM-4:30 PM (Monday-Friday); 2nd Friday OFF.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's

supervisor, Alexander Kalinowski can be reached on (571) 272-6771. The fax phone

number for the organization where this application or proceeding is assigned is (571)

273-8300.

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